



# **Congressman Joe Pitts**

**Sixteenth Congressional District of Pennsylvania**

## **Memorandum on the 114th Congress**

**TO:** Citizens of the 16<sup>th</sup> Congressional District of Pennsylvania  
**FROM:** Congressman Joe Pitts  
**DATE:** January 9, 2015  
**RE:** Priorities for the 114<sup>th</sup> Congress

January 6 was the start of a new Congress, the 114<sup>th</sup> in our nation's history. For the first time since 2006, Republicans will control both the House and the Senate. That will mean big changes and more opportunities to push conservative solutions. The best ideas may not make it into law in the next two years, but we will set the stage for bigger and better things after 2016.

President Obama still has two years left in office and seems intent on using his power to as great an extent as possible. That will put him in direct conflict with many of Congress' priorities. How we deal with this conflict will be the central question for the next two years.

Some disagreements won't be worked out until after the President leaves office, such as what to do about Obamacare. I believe the law should be repealed and replaced immediately with a healthcare reform that puts patients and doctors in charge of health decisions, not Washington bureaucrats or insurers. With President Obama in office, full repeal is not going to happen. Critical decisions about health care reform will be up to the next person selected to occupy the White House.

Other disagreements are going to have to be worked out within the President's remaining term. We are going to have to put together a budget and pass bills to fund the government. That is going to require negotiation and compromise. Neither liberals, who want bigger government, nor conservatives, who want more limited government, are going to be happy at the end of this process. However, that is what we get under divided government.

While the media will focus on the fighting and dysfunction, there will be opportunities for the Republican Congress and the Democrat President to get things done. As Chairman of the Energy and Commerce Health Subcommittee, I hope to lead these efforts in the areas of public health and medical innovation. We have to get the federal budget back in order and reduce the massive debt we pushing on our children and grandchildren. On tax reform and trade, there are opportunities to strengthen the American economy. We need to continue supporting the energy innovation that is fueling growth and putting money in Americans'

pockets. I also hope that this Congress can make progress towards respecting life here in the United States and protecting human freedom both here at home and across the world.

## **Health Care Reform: Setting the Stage for Bigger Things**

When President Obama took office, a strong majority of Americans supported reform of our health care system. That good will was squandered when Democrats pushed through a bill that was so toxic that dozens of House Democrats voted against its final passage and not a single Republican voted for its passage. That kind of partisan divide will never work when trying to find solutions to problems facing America. And as a result, today, fewer than half of Americans polled support the law.

**Present Reality.** Despite the law's unpopularity, the President still sees it as perhaps his greatest accomplishment while in office. Some Republicans saw shutting down the government as a way to fight the law. Closing government offices in the fall of 2013 didn't change the President's mind then, and another shutdown would only strengthen his weakened political hand.

Millions of Americans lost their health coverage because of the law, tens of millions are paying much more in premiums and deductibles, and many seniors have lost access to their Medicare Advantage plan. Despite the many people who have been harmed, I don't expect the President to change his mind. Substantive reform is going to have to wait for a new White House occupant.

**Future Opportunity.** This fact does not mean that Republicans should sit on our hands for the next two years. There are ways we can try to protect people from the law's worst effects right now and things we can do to lay the groundwork for reform.

Right now, there is limited bipartisan agreement on parts of the law that are hurting the American economy and workers. Obamacare's employer mandate forces businesses to hold hours down to 30 per week or face a penalty. The House voted to rollback this especially hurtful provision 252 to 172, with all Republicans and 12 Democrats voting "yes." The Senate may take the bill up soon and send it to the President.

Another measure that has bipartisan support is repeal of the law's medical device tax. This was an extraordinary tax that adds 2.3 percent to the cost of every device. This is a tax every company has to pay regardless of profits, a type of levy that is usually put on products like tobacco or alcohol to discourage their use.

It's a tax that is adding cost to life-saving devices and driving medical innovation overseas. Strong majorities in the House and Senate support repeal of the tax. There may be action on legislation early in the year.

I believe the House and the Senate may also work together to eliminate the Obamacare created Independent Payment Advisory Board (IPAB). This would return decisions about Medicare cuts to Congress. The law created this unelected board of bureaucrats to make cuts to payments to doctors working in the program. Congress could only overturn these cuts with a two-thirds vote of both the House and Senate. I think it is both unconstitutional and unwise for Congress to give so much power to a group that doesn't answer to the American people.

While broader health care reform may have to wait till 2017, right now is when Republicans need to put forward our ideas. Despite claims at the time Obamacare was being debated, Republicans have a long history of putting forward substantive reforms that have made a difference. The Children's Health Insurance Program, the Medicare Prescription Drug Benefit, and Health Savings Accounts were all Republican initiatives.

We need to build on these past successes to bring market controls, competition, and choice to the health care market. I support innovations like the ability to purchase health insurance across state lines, fair tax treatment for individuals who purchase coverage, and the ability to keep the same coverage from job to job.

For a lot more on my ideas for healthcare reform, read my latest memo to constituents at: [pitts.house.gov/HealthMemo2014](http://pitts.house.gov/HealthMemo2014).

We need to put innovative ideas into legislation and put them to a vote this Congress. The American people need to know that there is an alternative to big government reform of our health care system and that they have a choice to make in 2016.

**Strengthening Medicare.** Last year, I worked with my colleagues on both sides of the aisle to reach a critical agreement on how we pay doctors working under Medicare. For over a decade now, reimbursement rates were supposed to be reduced under the so-called Sustainable Growth Rate, or SGR.

However, the planned cuts were simply too steep and threatened to radically reduce the number of doctors serving Medicare patients. Millions of seniors could have lost their doctor and struggled to find coverage.

Instead of reforming the rate to match reality, Congress has simply been passing temporary patches every year. This is a poor way to run a program as critical as Medicare, and upon taking over the Health Subcommittee I made it one of my top priorities to get a permanent fix. Finally, after years of work, last summer we reached a bipartisan agreement on the best policy to replace the SGR.

While the House passed legislation, the Senate disagreed with how our bill paid for the necessary changes. Hopefully, with new Senate leadership, we can work out whatever differences there may be and pass this bill to strengthen Medicare and make sure seniors keep being able to see their doctor. I see this as a first, critical step toward broader reforms to save and strengthen Medicare so that it will be there for future generations.

## **Public Health: Accelerating Innovation to Save Lives**

As Chairman of the Energy and Commerce Health Subcommittee, I've worked together across party lines to get dozens of bills under my jurisdiction signed into

### **Health Subcommittee Success in the 113<sup>th</sup> Congress**

In the previous Congress the Health Subcommittee worked hard to achieve some concrete successes.

- 26 Public laws representing more than 30 individual pieces of legislation.
- 54 Subcommittee hearings, comprising more than 115 hours.
- More than 700 bills were referred to the Subcommittee.

law. Many of these bills are in the realm of public health, efforts to improve our response to disease and make a difference in patients' lives.

**21<sup>st</sup> Century Cures.** Last year, I joined the 21<sup>st</sup> Century Cures effort led by full Energy and Commerce Committee Chairman Fred Upton (R-MI) and Rep. Diana DeGette (D-CO). This bipartisan project is intended to help speed new cures to patients. We're looking at the full cycle of formulating cures, from basic research to deploying drugs, therapies, and devices. At each stage, we think there are improvements that can be made.

Last year, we kicked off the Cures initiative with a series of hearing and roundtables bringing together leaders from government, academia, the private sector, and patient groups. I personally chaired a number of these hearings and held one roundtable in Lancaster to hear from Pennsylvania stakeholders.

This year, we're moving from fact finding to legislating. Early this year, the Energy and Commerce Committee will introduce legislation to improve discovery, development, and delivery of new cures. This process has been bipartisan from the start and while there will probably be disagreements, I think we can work through these issues and pass good legislation.



Above: Rep. Pitts hosts a 21<sup>st</sup> Century Cures roundtable in Lancaster, PA.

## Boosting the Economy with Tax Reform, Trade, and Energy

With so many Americans still looking for work or struggling to make ends meet, creating robust economic growth has to be the top priority for the new Republican Congress. There are three big ways we could contribute to job creation: tax reform, increased trade, and encouraging energy innovation. In all of these areas, there may be room for bipartisan agreement.

**Tax Reform That Works for Every American.** Our complex tax code is heavily biased toward companies and individuals who can afford to pay for the best accountants and tax lawyers. On top of that, it discourages foreign investment in the U.S. and encourages American companies to stash cash overseas rather than reinvest it at home. A fair, substantive tax code could improve the lives of families and make it easier to create new jobs.

Americans spend more and more each year preparing and filing taxes. In 2012, 60 percent of Americans paid a professional tax preparer and 30 percent paid for software. Small business owners spend about 65 percent more to comply with taxes compared to larger businesses. Americans who can't afford a tax preparer probably leave money on table.

I believe there are three things we can do to help make tax time less trying:

First, reform and simplify the tax code so that regular Americans can understand what they owe. Our tax code is absurdly complex. At nearly 74,000 pages, it would take over 11

years for a single person, working every day, to retype the code. Reading it and understanding it is another thing.

Second, help families by expanding the child tax credit. Raising a child is expensive. Rather than put more money in ineffective government programs, we should keep more money in family budgets so that parents can choose good schools and save for college.

Third, lower the corporate tax rate to make America a better place to do business. Right now, we have the highest corporate tax rate in the world. We are one of the few industrialized nations that still penalize domestic companies that do well overseas. By reducing the rate and encouraging companies to bring earnings back to the U.S., we could actually increase government revenue and attract new investment.

**Increase Fair Trade.** Following the 2010 election, House Republicans worked together with the Democratic Senate and the President to sign three major trade deals. There is broad agreement that fair trade deals benefit American workers.

In fact, we sell more goods to our trade agreement partners than they buy from us—to the tune of \$59 billion a year. For countries that we don't have a trade agreement with, the opposite is true. Our trade deficit with these partners was \$508 billion last year.

Right now, the President is negotiating new agreements with countries along the Pacific Rim and with Europe. I support his efforts and I hope that we can lower other nations' barriers to American products, especially protectionist countries like Japan.

By passing trade promotion authority, we could strengthen the President's hand in negotiations. He would still have to do the hard work of putting together an agreement and Congress would still have final say about whether it is a fair agreement, but that would be a step in the right direction and one we should make early this year.

Products made in the 16<sup>th</sup> District go around the world. I know that our workers can beat anyone when the playing field is level and we should work together along bipartisan lines to open up markets.

**Supporting American Energy Innovation.** In recent months, gas prices have plummeted. Americans are now saving more than \$160 million a day over what we were paying for gas last summer. This will add billions of dollars to the economy if prices hold over the next year as expected.

This huge boom came about because of American innovation that has unlocked natural resources right here at home. From the oil fields in North Dakota to gas wells in Western Pennsylvania, we are tapping into resources that were previously inaccessible.

This not only keeps money in family pocketbooks, it also makes the United States a more attractive location for manufacturing. Armstrong World Industries recently chose Lancaster for a new plant over China in part because of the low and stable energy prices we have right now.

Congress should be finding ways to encourage continuing innovation and make sure that resources are responsibly developed. As a member of the Energy and Commerce



Committee, I am going to work with my colleagues to keep the American energy renaissance creating jobs in the 16<sup>th</sup> District.

## Tackling Our Debt Problem

Our national debt is not just a number. It is real money that has a real impact on our budget today and that is an extraordinary obligation for our children and grandchildren. We are passing to future generations a huge weight of debt that will severely limit their prosperity and freedom. The longer we wait to do something, the bigger the burden grows.

**Debt Limit Reached, Again.** Congress has the authority to set the amount of money our nation borrows, the debt limit. With Republicans and Democrats at an impasse over spending priorities, the debt limit was temporarily suspended last winter. That suspension expires March 15, 2015 and Congress will once again have to consider what to do about our long-term finances.

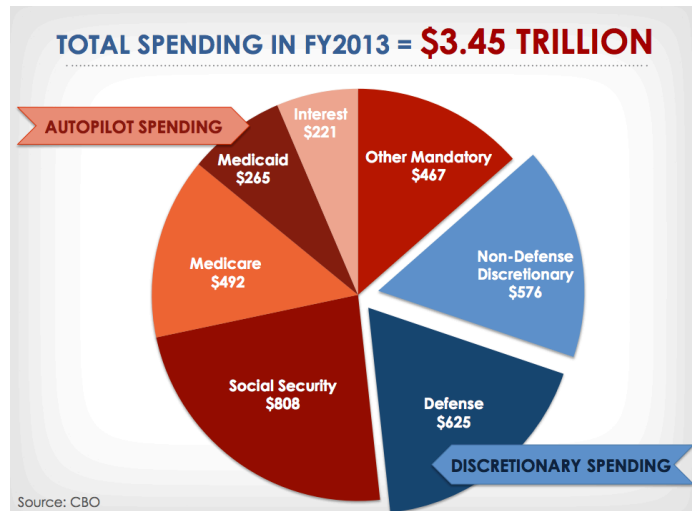
Since Republicans took over the House, we've made real progress on reducing spending for programs that Congress authorizes every year, so-called discretionary spending. This covers things like national defense, the Veterans Administration, and National Parks. In fact, the total amount of this type of spending is actually lower right now than the goal we set in the House Republican budget put forward by Paul Ryan nearly four years ago.

However, no matter how much we cut from these annually funded departments, we will not be able to balance the budget. Programs that Americans rely on for retirement and health care—Medicare, Social Security, and Medicaid—are the largest drivers of debt. If there is no action to strengthen and save these programs, they will not be able to pay out projected benefits in just a few, short years.

There have been several recent attempts to lay out a course for getting us back on the right fiscal path: the Simpson-Bowles Commission established by President Obama and the Congressional Supercommittee to replace the planned sequestration cuts. While both produced plans, there simply wasn't the political will, either on the left or the right, to adopt their solutions. We can't let these past failures stop us from making another bold attempt to reign in debt.

The expiration of the debt limit represents another opportunity to find common ground on spending and stop kicking the can down the road. We should debate and negotiate with the President in good faith. Doing nothing is not an option. Another fiscal crisis could become a debt crisis that does lasting damage to our economy.

## Values We Hold Dear: Life and Liberty



Life, liberty, and the pursuit of happiness—things we hold dear here in the United States but also things we think all people regardless of where they live deserve. This year, I hope we can act to protect innocent lives here at home and promote the freedom of men and women around the globe.

**Life.** I have long advocated for government policies to protect innocent life and the unborn. This Congress, I expect the House to push several proposals that move our government in the direction of protecting the innocent.

According to medical research, a child in the womb can feel pain as early as 20 weeks. The Pain Capable Unborn Child Protection Act would ban abortion after this period with exceptions for rape, incest, and the health of the mother. Currently, 12 states have passed such restrictions.

This bill passed the House of Representatives last year but was not taken up by the Senate. Incoming Majority Leader Mitch McConnell has promised to put the bill to a vote this year, possibly in just a few weeks.

**Right to Conscience.** While the legality of abortion divides the American people, one thing a strong majority of Americans agree on is that people with a moral objection to the practice should not have to support it with their own money or with taxpayer dollars.

While there are many federal statutes to protect individuals right to not pay for abortion as part of a health care plan or participate in the practice as a medical professional, there is currently no right for people to sue in court to protect these rights. In fact, last year bureaucrats in the state of California decreed that every health plan regulated by the state government must cover abortion, even the plans offered by churches.

The individuals who object to this decree are appealing to the federal Department of Health and Human Services to uphold statutes passed by Congress, but they have no way of taking the state to court. Passage of the Abortion Non-Discrimination Act would give them this right.

This bill was included in broader legislation that passed in previous Congresses and should be a top priority. If the California mandate is upheld, states across the country could issue similar decrees trampling on the conscientious objections of Americans.

**Religious Freedom Across the Globe.** The right to practice one's faith without interference from the government is one that we hold dear here in the U.S. But it is also a right that we feel all people around the world are entitled to. I have long been a proponent of protecting religious minorities who are being persecuted by their government. I have stood up for Christians, Muslim sects, and many other ethnic and religious minorities facing violence and discrimination in their home countries.

The International Religious Freedom Act makes sure that religious rights play an important role in our foreign policy. However, this law needs to change to reflect the way that persecution is being carried out in today's world.

Groups not attached to a state, like ISIS in Iraq and Syria or Boko Haram in Nigeria, are increasingly responsible for violence. I have introduced a bill to amend the law to allow our government to more strongly act against these groups and protect vulnerable populations.

Rep. Anna Eshoo (D-CA) is the Democratic co-sponsor of the bill and I expect us to be able to move it forward this year.

## **114<sup>th</sup> Congress Has to Be Productive**

While the government is still divided, we cannot just kick the can down the road for another two years. We have large and growing problems that need to be dealt with now. Common ground may be difficult to find, but we need to work toward that goal with mutual respect and honest dealing.

I hope that two years from now we can look back at some concrete successes and that the 114<sup>th</sup> Congress can be seen as a productive step in the right direction.